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The time period for reply, if any, is set in the attached communication.

BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

MAILED

Application Number: 09/761,670
Filing Date: January 18, 2001
Appellant(s): EDER, JEFFREY SCOTT

JAN 0 9 2008

GROUP 3600

B. J. Bennett
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed October 22, 2007 appealing from the Office

action mailed January 3, 2007.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The following are the related appeals, interferences, and judicial proceedings

known to the examiner which may be related to, directly affect or be directly affected by

or have a bearing on the Board's decision in the pending appeal:

BPAI Decision on Application 09/760,671 decided on November 30, 2007.

Potentially Related Applications Pending before the BPAI as stated by Appellant:

09/688,983

10/282,113

10/746,673

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection

contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is

correct.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

5812988	SANDRETTO	9-1998
5361201	JOST	11-1994
5,761,442	BARR	6-1998

Microsoft Computer Dictionary, 1997, Microsoft Press, Third Edition, pp. 403-404, 130.

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

1.   **Claims 43-46, 48-52 and 54-86 are rejected under 35 U.S.C. 101** because the claimed invention is not supported by either a specific and substantial asserted utility or a well established utility.

For a claim to be statutory under 35 USC 101 the following two conditions must be met:

1) In the claim, the practical application of an algorithm or idea results in a useful, concrete, tangible result.

In this case, the independent claims 43, 55, 67 and 80 do not produce a useful, concrete, tangible result because the claimed method is merely a conceptual framework. It appears that the invention is about the use of modeling. However, it is unclear exactly what the modeling produces. Therefore the claimed invention lacks concreteness, thus the results cannot be concrete. The specification does not clear up this problem because there is no example in the specification to demonstrate how it

takes concrete inputs and produces concrete, verifiable and repeatable outputs. The descriptions, guidelines and examples have the same lack of concreteness. Two iterations are unlikely to produce the dame results, especially of two different practitioners were to do the iterations. The claims are written at a conceptual level of generalities which have nothing to do with producing a hard product. No concrete input is defined and no concrete output is defined. The claim elements involve obtaining a plurality of data, evolve a plurality of network models, use "input nodes", "hidden nodes" and "output nodes" of an unspecified nature, where "and each output node represents an aspect of financial performance", and use a plurality of relationships between nodes "where each network model" ... "supports the development of a controlling forecast for use in optimizing purchasing". There is nothing useful, concrete and tangible in these limitations. The limitations are made up of the evolving of a plurality of network models with input nodes, hidden nodes and output nodes, and relationships with degrees of influence and elements of value. All of these together are essentially vague and cannot even be considered an algorithm, which, in any case, as presented, fails to not even produce a useful, concrete, tangible quantitative result. In addition, court interpretations of the statute require that output in specific applications be claimed. Having such applications in the specification is insufficient. The invention must be in the claims, except for non-critical elements so recognized by the ordinary practitioner which can be in the specification for the purpose of illustrating the details. Further, even the most detailed disclosure in the specification fails to present a method and system where the results can be replicated by others because qualitative judgments are involved in the method such that even the same practitioner seems unlikely to be able to replicate a result for the same case in multiple iterations of operating the model.

2.   **Claim 54** is rejected under 35 U.S.C. 101 because the claimed recitation of a use, without setting forth any steps involved in the process, results in an improper definition of a process, i.e., results in a claim which is not a proper process claim under 35 U.S.C. 101. See for example *Ex parte Dunki*, 153 USPQ 678 (Bd.App. 1967) and *Clinical Products, Ltd.* v. *Brenner*, 255 F. Supp. 131, 149 USPQ 475 (D.D.C. 1966).

3. **Dependent claims 44-46, 48-52,** do not meet the test for useful, concrete and tangible results on the basis of their dependencies on independent claims 43, 55, 67 and 80. Further, these dependent claims themselves fail to meet the useful, concrete and tangible requirements of 35 USC 101 test because their limitations are written in the same non-specific manner.

Therefore, an ordinary practitioner of the art would be unable to make productive use of the inventions claimed in claims 43-46, 48-52 and 54-86 without undue experimentation.

4. **Claims 43-46, 48-52 and 54-86 are also rejected under 35 U.S.C. 112, first paragraph.** Specifically, since the claimed invention is not supported by either a specific and substantial asserted utility or a well established utility for the reasons set forth above, one skilled in the art clearly would not know how to use the claimed invention.

Claim Rejections - 35 USC § 112

The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

5. **Claims 43-46, 48-52 and 54-86 are rejected under 35 U.S.C. 112, first paragraph**, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. For an application in this case, see the rejection under 35 USC 101.

6. **Claim 54 is rejected** under 35 U.S.C. 112, first paragraph, because, per *In re Hyatt*, 708 F.2d 712, 218 USPQ 195 (Fed. Cir. 1983), a single means claim does not comply with the enablement requirement of **35 U.S.C. 112**, first paragraph.

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

7.   Claims 43-46, 48-52 and 54-86 are rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential elements, such omission amounting to a gap between the elements. See MPEP § 2172.01. The omitted elements are the steps which would lead an ordinary practitioner of the art to successfully apply the invention to produce a concrete, reproducible quantitative valuation result of a firm.

For example,

- Independent claim 43 claims a system for the obtaining of data and the evolving of a plurality of network models, plus a description of what the network models are comprised of.

- Independent claim 54 claims a one step method for aggregating firm related data.

- Independent claim 67 claims a computer readable medium containing stored instruction, which when executed, cause a processor to perform two steps, the integrating of business related data for a firm, and using at least a portion of the data to generate a plurality of models to connect one or more elements of value of said firm to one or more aspects of financial performance of a firm.

- Independent claim 80 claims an enterprise data integration method for accessing enterprise transaction data, converting said data to a common schema, and storing said converted data in a database for use in processing.

None of these inventions contain all the essential steps which would lead an ordinary practitioner of the art to successfully apply the invention to produce a concrete, reproducible quantitative valuation result of a firm.

8.   Claims 52, 65 and 78 recite the limitation "business event network models". There is insufficient antecedent basis for this limitation in these claims because business event network models are not found in the disclosure.

9.   **Claim 85** recites the limitations "business event network models". There is insufficient antecedent basis for this limitation in these claims because business event network models are not found in the disclosure.

10.   **Claims 43, 54, 67 and 80** are rejected under 35 U.S.C. 112, second paragraph, because they would require undue experimentation for the ordinary practitioner to put to productive, reliable use, tangible and concrete use based on the guidelines for undue experimentation in MPEP 2164.01(a) because they would be beyond the level of one of ordinary skill to successfully use to produce concrete, reliable results which could be replicated, because the art claimed in the disclosure has poor predictability, the invention would require an undue amount of direction by the inventor, because working samples of a concrete input and concrete output are lacking, and the quantity of experimentation needed to make or use the invention based on the content of the disclosure is excessive because it is indeterminable. This meets the test laid out in *In Re Wands*: " A conclusion of lack of enablement means that, based on the evidence regarding each of the above factors, the specification, at the time the application was filed, would not have taught one skilled in the art how to make and/or use the full scope of the claimed invention without undue experimentation. *In re Wright*, 999 F.2d 1557,1562, 27 USPQ2d 1510, 1513 (Fed. Cir. 1993)."

11.   **Claims 52, 65, 78 and 85 are rejected under 35 U.S.C. 112, second paragraph,** as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The expressions "intelligent", "direct effects" and "indirect effects" in claim 85 appear have been added by amendment after the first Office Action. The expression "business event network models" has been added by amendment to claims 52, 65 and 78 in the most recent response. None of these terms appear in the disclosure. Therefore there is insufficient antecedent basis for these limitations in these claims.

12.   Claims 43, 54, 67 each recite the limitation "where each network model from a plurality of network models supports the development of a controlling forecast for use in optimizing purchasing". There is insufficient antecedent basis for this limitation in the

claim. The specification contains no specific links between optimization and purchasing. Variations of the root of optimizing are only found in four instances in the specification. They are "optimizes predictive models" ([0055]), "optimization of the predictive models" ([0034),"network optimization"([0135]) and "optimizing the network" ([0136]). No mention of purchasing is found in those paragraphs.

13.   **Claim 54** provides for the use of network models, but, since the claim does not set forth any steps involved in the method/process, it is unclear what method/process applicant is intending to encompass. A claim is indefinite where it merely recites a use without any active, positive steps delimiting how this use is actually practiced. It lacks an active or positive step of how to use the model in the invention.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

14.   **Claims 43-46, 48, 49, 51, 54-62 and 64-85 are rejected** under 35 U.S.C. 103(a) as being unpatentable over Sandretto (US Patent 5,812,988).

Re. claims 43, 54 & 67, Sandretto discloses a firm analysis method, system, framework and medium, comprising:

- aggregating firm related data from a plurality of systems in accordance with a common data dictionary using at least a portion *of* the data to generate network models which connect one or more current elements of value of said firm to one or more aspects of financial performance of said firm (Col. 8, ll. 52-59), said network models being further comprised of:

- a computer with a processor, having circuitry to execute instructions; a storage

device available to said processor with sequences of instructions stored therein, which when executed cause the processor to: obtain a plurality of data related to a value of a business enterprise in a format suitable for processing (Col. 15, ll. 23-67).

- one or more input nodes, hidden nodes and output nodes where each input node represents an element of value and each output node represents an aspect of financial performance (Sandretto, Col. 9, ll. 40-41. The input and output nodes are implicit or obvious), and

- a plurality of relationships where each relationship is a function of an impact *of* each element on other elements of value or an aspect of financial performance (Col. 8, l. 52 – Col. 9, l. 20);

Sandretto does not explicitly disclose

- where each network model from a plurality of network models supports the development of a controlling forecast for use in optimizing purchasing.

However, Sandretto discloses optimizing in the management of financial assets (Col. 8, ll. 46-47). Sandretto also uses forecasting and forecasts methods of economic and financial variables in the process of maximizing financial returns (Col. 8, ll. 45-46). Further, Sandretto discloses the use of purchasing as a tool for improving the financial performance of assets employed in a portfolio of managed assets (Col. 2, ll. 37, 41; Col. 16, ll. 21-22, 25; Col. 18, ll. 54, 59). Therefore, an ordinary practitioner of the art at the time of Applicant's invention would have seen it as obvious to have used Sandretto's disclosures for the purpose of employing a firm analysis method, system and computer readable medium, motivated by a desire to offer an improved method for estimating asset values (Col. 2, ll. 2-65).

Re. Claims 44, 55 & 68, Sandretto discloses one or more aspects of financial performance based on market value (Col. 9, ll. 11, 13, 30).

Re. Claims 45, 56 & 69, Sandretto discloses network models which comprise: a summary of value drivers by element of value applied to each of said input nodes, where said summaries summarize the impact of each *of* said elements of value on one or more

aspects of financial performance, the other elements of value and combinations thereof
(Col. 9, 14-16).

Re. Claims 46, 57 & 70, Sandretto discloses where one or more weights from a best fit
model are used to identify a net impact of each element *of* value on a component of value
selected from the group consisting of revenue, expense, capital change and combinations
thereof (Col. 9, ll. 16-20, 56-57).

Re. Claims 48, 60 & 73, Sandretto discloses where a plurality of relationships are quantified
for a specified point in time within a sequential series of points in time (Col. 10, ll. 1-7).

Re. Claims 49, 61 & 74, Sandretto discloses where a relative contribution to one or more
components of value is combined with a present value of said components of value to
determine a current operation value of each element of value (Col. 9, ll. 7-9).

Re. Claims 50, 62 & 75, Sandretto discloses the element of value of employees (Col. 16, ll.
27-30).

Re. Claims 51, 63 & 74, Sandretto discloses training one or more best fit network models
using one or more genetic algorithms (Col. 9, ll. 11, 13, 30).

Re. Claims 58 & 71, Sandretto discloses comprising training one or more best fit network
models that identify a relative impact of each element of value on each *of* the components
of value where one or more weights from the best fit models are used to identify a relative
contribution of each element of value to each component of value net of any impact on the
other elements of value (Col. 11, ll. 43-56).

Re. Claims 64 & 77, Sandretto discloses a firm as a company (Col. 2, ll. 22-26).

Re. Claims 52, 65 & 78, Sandretto discloses the use of network modeling in the valuation of
a business enterprise (see above the rejection of claims 43, 54 and 67). Sandretto does not
explicitly disclose "a plurality of business event network models". However, Sandretto
uses modeling to forecast the performance of a business enterprise. Such forecasting
involves assumptions about the future. In this context, an ordinary practitioner of the art
at the time of the invention would have understood that a business event is any
occurrence, whether actual or hypothetical, which an analyst chooses to include as a
variable in a forecasting scenario. Therefore, it would have been obvious to an ordinary

practioner of the art at the time of the invention to have derived from Sandretto the obviousness of modeling business events through network models, thus employing business event network modeling.

Re. Claim 80, Sandretto discloses a firm analysis method, framework and medium (see the above rejections of claims 43, 54 & 67). In so doing, Sandretto also discloses an enterprise data integration method, comprising accessing a plurality of enterprise transaction data via an interface coupled to a plurality of data sources, and converting said transaction data to a common schema using an application software segment, and storing said converted data in a database for use in processing, where a plurality of sources further comprise databases for systems selected from the group consisting of a basic financial system, a human resource system, an advanced financial system, a sales system, an operations system, an accounts receivable system, an accounts payable system, a capital asset system, an inventory system, an invoicing system, a payroll system, a purchasing system and combinations thereof (Col. 9, ll. 40-41; Col. 10, ll. 1-7; Col. 14, l. 30 – Col. 15, l. 19; Fig's 1-14). Sandretto discloses in these and other sections of the patent how he integrates data from a multiplicity of databases and models to generate an analysis of a firm. The schematics show how the pieces are fit together in integrating the data and perform the analysis.

Sandretto does not explicitly disclose database management systems. However, database management systems are well known in the art of employing computer systems for data processing for any application, including financial and business analysis, optimization, forecasting, planning, among many other uses involving data. Therefore, an ordinary practitioner of the art at the time of Applicant's invention would have seen it as obvious to have used Sandretto's disclosures for the purpose of employing a firm analysis method, system and computer readable medium, motivated by a desire to offer an improved method for estimating asset values (Col. 2, ll. 2-65).

Re. Claims 81-84, Sandretto discloses:

　　　　Re. Claim 81, an enterprise data integration method. Sandretto does not explicitly disclose a plurality of relational databases where said databases use different

data formats. However, relational databases using different data formats were well known within the art at the time of Applicant's invention. They are implicitly in use in Sandretto's disclosure.

Re. Claim 82, a network connection (Col. 15, II. 59-63; Fig's 1A).

Re. Claim 83, an enterprise data integration method. Sandretto does not explicitly disclose a network schema with a common data dictionary where said common data dictionary defines common attributes selected from the group consisting of elements of value, components of value, currencies, units of measure, time periods, dates and combinations thereof. However, a network schema and a data dictionary were well known and necessary data processing system tools used for projects such as enterprise data integration. As such, they are implicitly in used in Sandretto's disclosure.

Re. Claim 84, the conversion and storage of data before processing begins. Conversion and storage of data before processing begins are implicit to Sandretta's disclosure since they are necessary steps in operating Sandretta's system.

Re. Claims 80-84, it would have been obvious to an ordinary practitioner of the art at the time of Applicant's invention to have used Sandretto's disclosure with the practitioner's own knowledge to make obvious adjustments in order to produce an enterprise data integration method, motivated by the desire to offer a valuation model which fully utilizes current information that affects asset risk and which can be used for virtually any asset and potential asset (Sandretto, Col. 9, II. 56-67).

Re. Claim 85, Sandretta discloses an intelligent method for analyzing commerce data using a computer, comprising: identifying a set of data required for analyzing a commercial enterprise, preparing the identified set of data for use in analysis, analyzing at least a portion of said data in an automated fashion as required to identify one or more statistics selected from the group consisting of pattern, trend, ratio, average, elapsed time period, percentage, variance, monthly total and combinations thereof, and using at least a portion of said statistics and data to develop a model of enterprise current operation financial performance using automated learning, where the model mathematically

expresses the dynamic characteristics and behavior of each element of value as including direct effects and indirect effects from each element of value.

(Sandretta's steps 1 through ten, and then additional alternative steps (1) through (6) include these steps, followed by multiple iterations. These are the characteristics of an automated learning process (Col. 10, ll. 1-Col. 12, l. 55). Sandretto's general methodology and objectives are outlined in Col. 8, l. 52 – Col. 9, l. 67. Sandretto discloses generating a predictive model that mathematically expresses dynamic characteristics and behavior of the elements of value using said descriptions is described in Col. 8, l. 52 – Col. 9, l. 20. Sandretto's dynamic modeling method quantifies the risk profile of each element value and demonstrates the direct effects of an element of value through the identification of each element's risk measures, both input risk (Col. 9, l. 3) and output risk (Col. 9, l. 14). An accounting meaning of current operations is operations currently in progress and means within one year regarding certain types of assets and liabilities. The identifying of an asset's operating (direct), financing and accounting (indirect) characteristics encompasses direct and indirect effects. It would have been obvious to an ordinary practitioner of the art at the time of Applicant's invention to have used Sandretto's disclosure combined with the practitioner's own knowledge to make obvious adjustments in order to produce an intelligent method for analyzing commerce data using a computer, motivated by the desire to offer a valuation model which fully utilizes current information that affects asset risk and which can be used for virtually any asset and potential asset (Sandretto, Col. 9, ll. 56-67).

15.   **Claims 63 and 76 are rejected** under 35 U.S.C. 103(a) as being unpatentable over Sandretto in view of Jost et al. (US Patent 5,361,201, hereafter Jost).
Re. Claims 63 & 76, Sandretto does not explicitly disclose a method where network models further comprise neural network models. However, Jost discloses neural network models (Abstract- l. 3; Col. 1, l. 7-10; Col. 2, ll. 30-35). It would have been obvious to an ordinary practitioner of the art at the time of Applicant's invention to have combined the art of Sandretto with the art of Jost in order to provide a valuation method and system which makes

use of neural network modeling, motivated by a desire to provide accurate estimates of financial value (Jost, Col. 2, ll. 17-20).

16.   Claim 86 is rejected under 35 U.S.C. 103(a) as being disclosed by Sandretto as applied to claims 43 and 85 above, and further in view of Barr et al. (US Patent 5,761,442, hereafter Barr).

Re. Claim 86, Sandretto does not explicitly disclose a method which comprises using a plurality of genetic algorithms to automatically learn from the data by using processing steps selected from the group consisting of fitness measure re-scaling, random mutation, recalibrating target fitness levels, selective crossover, selective carry-forward and combinations thereof. However, Barr discloses the use of commercial optimizers such as the "Solver" which is part of the Excel spreadsheet program from Microsoft corporation, the "Evolver", a genetic algorithm based program from Axcellis Inc. ..., or software packages which are available from the Harvard Business School ...". Barr discloses that "such commercial portfolio optimizers can be integrated as part of data processing system 310 (Col. 13, ll. 26-41). The Barr patent is titled "Predictive neural network means and method for selecting a portfolio of securities wherein each network has been trained using data relating to a corresponding security". Barr further discloses that "other commercial products or custom software can be used and developed by persons skilled in the art on the basis of the disclosure". It would have been obvious for the practitioner to select from these available genetic algorithms techniques such as fitness measure re-scaling, random mutation, recalibrating target fitness levels, selective crossover, selective carry-forward and combinations thereof to automatically learn from the data. Consequently, it would have been obvious to an ordinary practitioner of the art at the time of Applicant's invention to have combined Sandretto's disclosure with the disclosure of Barr, combined with the practitioner's own knowledge, to make use of a plurality of genetic algorithms to automatically learn from the data, motivated by the desire to offer a valuation model which utilizes neural nets, genetic algorithms and optimization techniques to effectively combine technical and fundamental information in a computerized framework (Sandretto, Col. 9, ll. 56-67).

17. **Claim 51 is rejected** under 35 U.S.C. 103(a) as being disclosed by Sandretto as applied to claims 43 and 85 above, and further in view of Barr.

Re. Claim 51, Sandretto does not explicitly disclose a plurality of network models which comprise a plurality of neural network models that are trained using genetic algorithms. However, Sandretto discloses the use of network models (see the rejection of claims 43, 54 and 67, above). Jost discloses the use of neural network models (see the rejection of claims 63 and 76, above). Finally, Barr discloses the use of genetic algorithms to automatically learn from data (see the rejection of claim 86. It would have been obvious to an ordinary practitioner of the art to have combined the disclosures of Sandretto, Jost and Barr to employ a plurality of network models which comprise a plurality of neural network models that are trained using genetic algorithms, motivated by the desire to offer a valuation model which utilizes neural nets, genetic algorithms and optimization techniques to effectively combine technical and fundamental information in a computerized framework (Sandretto, Col. 9, ll. 56-67).

(10) Response to Argument

ARGUMENTS RE. ISSUE # 1, including the rejection of independent claims 54 (Method), 43 (system) and 67 (medium):

Reason #1: Sandretto Teaches Away

1) The specific citations in Sandretto referred to as evidence by Appellant fail to support Appellant's argument. Col. 9, ll. 45-55 states "with an option to include: (a) correlations between economic variables". Col. 10, ll. 1-7 states "The process begins by estimating an initial set of financial statements and cash flows for each asset (only cash flows if the asset is a bond or similar asset) for some number of periods using estimated operating, financing, accounting and economic variables an analyst has input into the process. Estimated cash flows may be also be adjusted for expected price changes, such as inflation.". In each case, Sandreto teaches limitation (c) in independent claim

54 where elements have impact on each other ("a plurality of relationships where each relationship is a function of an impact of each element on other elements of value or an aspect of financial performance;").

2), 3) and 4)   Appellant argues limitations which are not contained in the claims such as:

2) "the claimed invention teaches that there may be interaction between the different elements of value";

3) "the claimed invention teaches that the future is a function of the real world performance of a plurality of elements of value. In particular, the claimed invention teaches and relies on the use of a novel method that forecasts the value of each aspect of financial performance as a function of the performance of a plurality of elements of value"; and

4) the claimed invention identifies an impact for a plurality of elements of value on the actual and forecast financial performance (i.e. cash flow) of an enterprise.

Reason #2:   "Sandretto does not teach or suggest one or more of the limitations for every rejected claim. ".

A reference is not required to teach or suggest one or more of the limitations for every rejected claim in an obviousness rejection.

The following is cited by the BPAI, *in Ex parte* CATAN, Appeal 2007-0820,

Decided: July 3, 2007

The BPAI, in part, cited the US Supreme Court's KSR decision as follows: "The Court noted that "[t]o facilitate review, this analysis should be made explicit. *Id.* (citing *In re Kahn,* 441 F.3d 977, 988, 78 USPQ2d 1329, 1336 (Fed. Cir. 2006)) ("[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness"). However, "the analysis need not seek out precise teachings directed to the specific subject matter of the challenged claim, for a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ." *Id.* at 1741, 82 USPQ2d at 1396."

In the instant case, the examiner believes that he has complied with the guidelines of *In re Kahn* in making a proper *prima facie* case of obviousness in the above rejections.

Reason # 3:   "...because the unspecified' modification would

have to change one or more of the principles of operation of the invention disclosed in

Sandretto.".

Substantial if not unlimited flexibility exists in method steps and related systems and

computer readable media in the making of business and financial evaluations and

establishing related forecasts. The same flexibility exists whether these method steps

are done by hand or done through computer software. As such, in the making of a

proper case of prima facie obviousness by the examiner, the principles of operation of

the invention disclosed in Sandretto are not changed by combining references and

using the knowledge of an ordinary practitioner in seeing what is obvious and suggested

in a reference, especially since Sandretto is not teaching away, as explained above.

ARGUMENTS RE. ISSUES # 12 through 14:   The examiner believes that the

references, accompanying rationale and prior prosecution record provide adequate

responses to Appellant's arguments for these issues.

(11) Related Proceeding(s) Appendix

Copies of the court or Board decision(s) identified in the Related Appeals and

Interferences section of this examiner's answer are provided herein.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

Siegfried E. Chencinski

Conferees:

Vincent Millin

Hani Kazimi

Siegfried Chencinski